



Border Business Briefs

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The University of Texas-Pan American™

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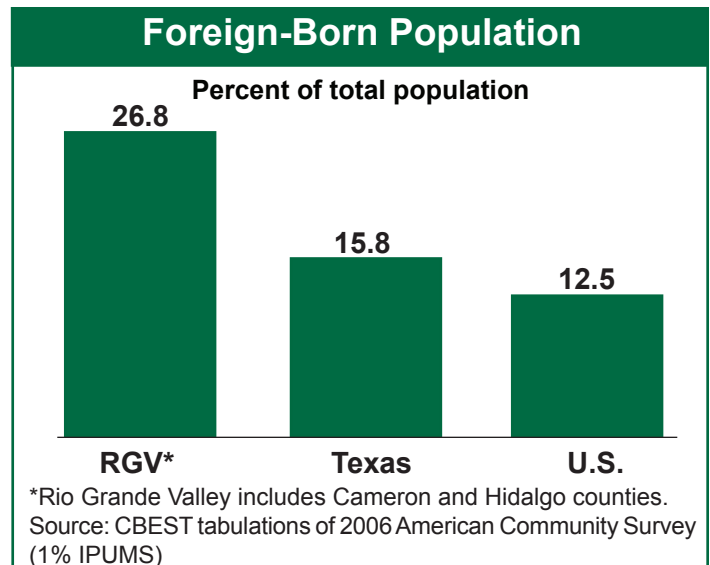
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FOREIGN-BORN POPULATION ECONOMIC CHARACTERISTICS

- The foreign born population in the Lower Rio Grande Valley amounted to 26.8 percent of the total population in 2006. This represented a higher share for the foreign born population than that at the state level 15.8 percent and the national level 12.5 percent .
- The top five industries in which more than 60 percent of the Valley's foreign born were employed were:
 - Educational, health and social services 20.6 percent
 - Construction 13.2 percent
 - Retail trade 12.2 percent
 - Arts, entertainment, recreation, accommodations and food services 8.6 percent
 - Manufacturing 8.5 percent
- Relative to the native born, foreign born workers are overrepresented in the construction, manufacturing, and agriculture sectors.
- Relative to the native born, foreign born workers are underrepresented in retail trade, educational, health and social services sectors. Other sectors in which the foreign born are underrepresented are: professional and business services, finance, insurance, real estate, transportation, warehousing, information, and public administration.
- The earnings distribution of the foreign and native born reveals higher discrepancies in the Rio Grande Valley relative to the state and national distributions. Close to

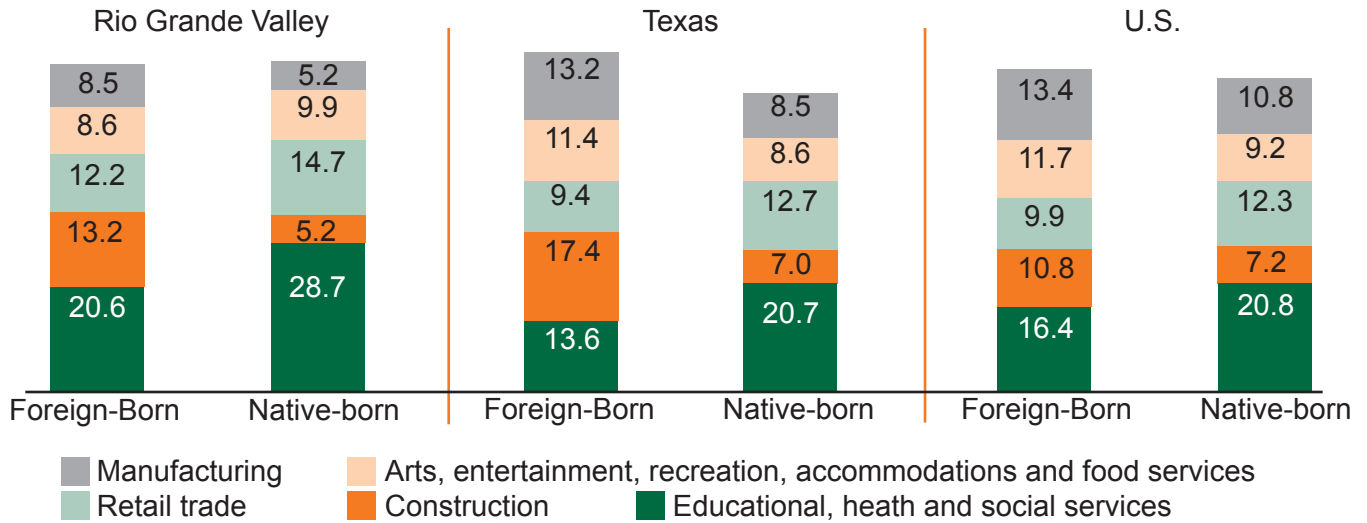
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Economic Characteristics of the Foreign-Born Population

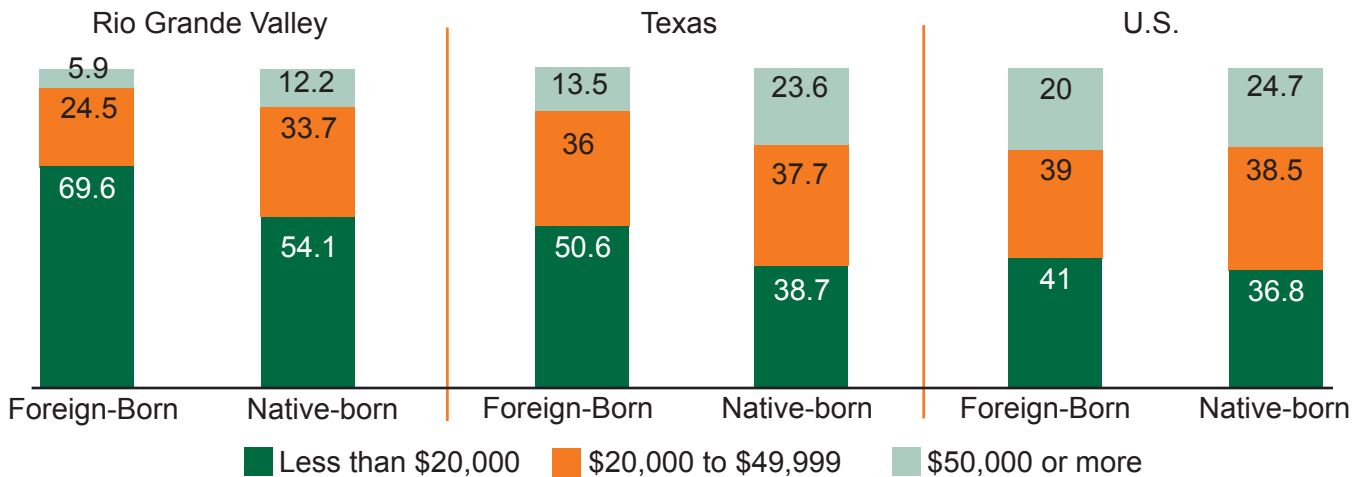
Industry

Percent of resident population ages 16 and older who worked in the past five years



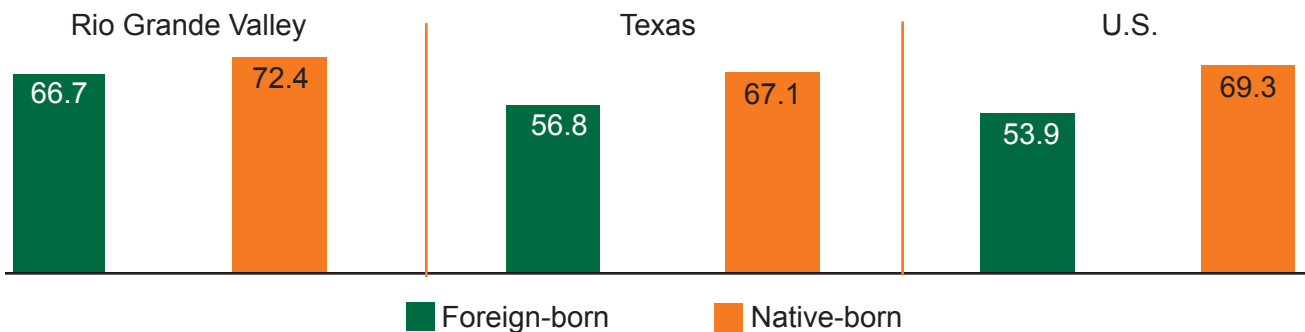
Earnings

Percent of resident population with positive earnings



Home Ownership

Percent of households that are owner-occupied



Source: CBEST tabulations of 2006 American Community Survey (1% IPUMS)

Continued from page 1

70 percent of the foreign born report earnings less than 20,000 compared to 54 percent of the native born. The 16 percentage-point difference compares to an 11 and four percentage-point difference in Texas and the U.S., respectively.

- Home ownership rates are higher in the Rio Grande Valley than those at the state and national levels. The gap in ownership rates between the foreign and native born is also smaller.

Student Enrollment at Institutions of Higher Education in South Texas			
	Fall 2008	Fall 2003	Change
UTB-TSC	10,994	8,362	31%
TSTC	6,100	4,243	44%
UTPA	17,534	15,915	10%
STC	22,066	15,406	43%
Total	56,694	43,926	29%

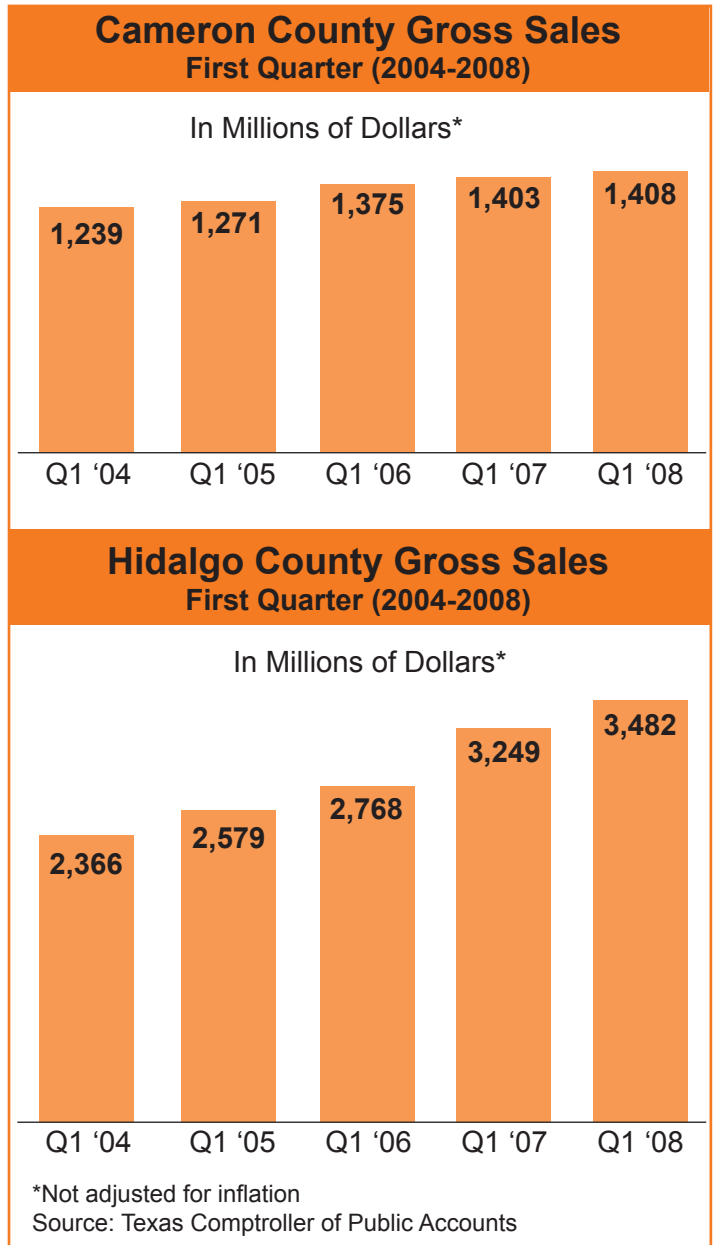
Source: Institutional Effectiveness Offices at respective institutions
 UTB-TSC: The University of Texas-Brownsville and Texas Southmost College
 TSTC: Texas State Technical College
 UTPA: The University of Texas-Pan American
 STC: South Texas College

Population			
	2000	2008	Change
Cameron	335,227	391,857	17%
Hidalgo	569,463	725,978	27%
Starr	53,597	62,665	17%
Willacy	20,082	21,037	5%
LRGV*	978,369	1,201,537	23%
Texas	20,851,820	24,105,417	16%

* Lower Rio Grande Valley
 Source: Texas State Data Center and Office of the State Demographer

GROSS SALES

Overall, gross sales have increased between the first quarter of 2004 and the corresponding quarter of 2008. In Cameron County sales rose by 20 percent over that time period, while the corresponding increase amounted to 47 percent in Hidalgo County.



Relative to the first quarter of 2007, Cameron County's gross sales rose by six percent in the first quarter of 2008. Hidalgo County posted an increase of seven percent over the same time period. Growth in both counties was mainly fueled by construction, retail trade, accommodation and food services, and manufacturing. Trade continued to dominate the economy of both counties, with retail and wholesale trade accounting for around two thirds of gross sales.

Gross Sales by County and Industry

In Millions of Dollars

Cameron County

	Q1 '08	Q1 '07	Change
Construction	78	69	13%
Manufacturing	131	124	5%
Wholesale Trade	143	146	-2%
Retail Trade	834	791	5%
Accom./Food Serv.	112	106	5%
Other Services*	142	121	17%
Other**	48	45	7%
All Industries***	1,488	1,403	6%

Hidalgo County

	Q1 '08	Q1 '07	Change
Construction	259	233	11%
Manufacturing	291	274	6%
Wholesale Trade	448	428	5%
Retail Trade	1,917	1,790	7%
Accom./Food Serv.	200	186	7%
Other Services*	236	234	1%
Other**	132	104	26%
All Industries***	3,482	3,249	7%

* The "Other Services" category includes the following sectors, each of which accounts for less than two percent of gross sales: Information; Finance and insurance; Real estate; Professional, scientific and technical services; Management of companies and enterprises; Administrative, support, waste, management and remediation services; Educational services; Health care and social assistance; Arts, entertainment and recreation services; among others.

** The "Other" category includes the following sectors, each of which accounts for less than two percent of gross sales: Agriculture; Mining; Utilities; Transportation and warehousing; and Public administration.

*** Totals may not add up due to rounding and disclosure issues.

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In June 2008, total employment stood at 135,713 for Cameron County and at 261,256 for Hidalgo County. This represented a 1.2 percent increase from June 2007 employment figures for Cameron County and a 3.1 percent increase for Hidalgo County. The corresponding employment growth rate for Texas was 1.8 percent.

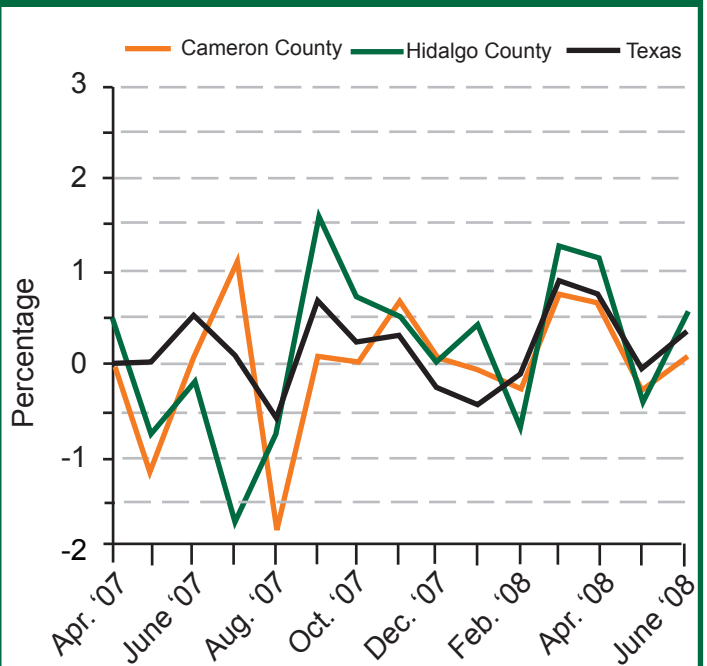
Employment

	June '08	June '07	Change
Cameron County	135,713	134,110	1.2%
Hidalgo County	261,256	253,353	3.1%
Texas	11,206,496	11,011,868	1.8%

Source: Bureau of Labor Statistics

Employment Growth Rates*

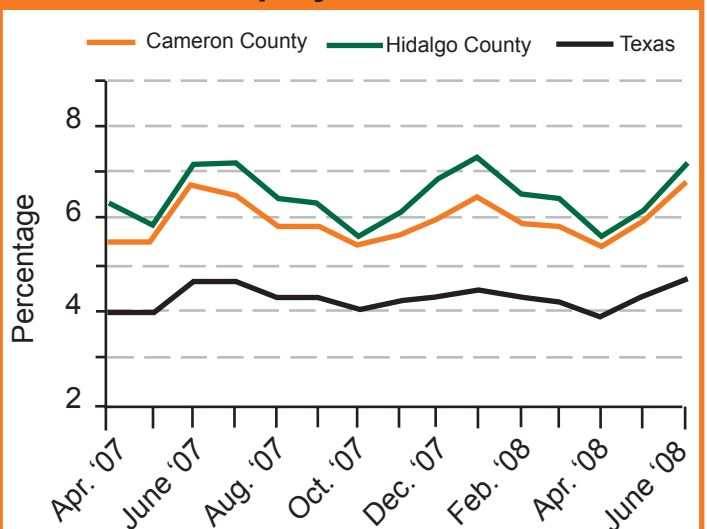
Monthly Percentage Change



Source: Bureau of Labor Statistics

* Not seasonally adjusted

Unemployment Rates*



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

By the end of the second quarter of 2008, the unemployment rate was 6.8 and 7.2 percent for Cameron and Hidalgo counties, respectively, compared to rates of 6.7 and 7.1 percent in June 2007. While such rates are higher than those reported for the state of Texas (4.8 percent in June 2008), the gap between the area's unemployment rate and those of Texas has consistently shrunk over time. Monthly employment growth fluctuations for Cameron County, more or less, mirrored those at the state level. However, employment growth and declines for Hidalgo County seem to be countercyclical to those of Texas during the summer months.

Unemployment Rates (%)

	June '08	June '07	Change
Cameron County	6.8	6.7	1.5%
Hidalgo County	7.2	7.1	1.4%
Texas	4.8	4.7	2.1%

Source: Bureau of Labor Statistics

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the second quarter of 2007 and 2008. In Cameron and Hidalgo counties, the number of permits issued decreased by 41.5 and 40.5 percent, respectively. By the end of the second quarter, the dollar valuation of authorized housing units decreased by 37.8 percent in Cameron County and 31.1 percent in Hidalgo County compared to the same period of 2007. Home sales, on the other hand, reported increases in Harlingen and declines in the cities of Brownsville and McAllen.

Housing Affordability (Q2 '08)

MLS Area	HAI*
Brownsville	1.41
Harlingen	1.50
McAllen	1.32
Texas	1.55
USA	1.27

*The Housing Affordability Index is the ratio of median family income to the income required to qualify for an 80 percent, fixed rate mortgage to purchase the median-priced home. The higher the ratio, the more affordable housing is. The MLS Area represents the local Realtors® association's geographical coverage area.

Source: Real Estate Center at Texas A&M University

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q1 '08	Q1 '07	
Cameron	298	509	-41.5%
Hidalgo	1,035	1,739	-40.5%
	YTD '08*	YTD '07*	
Cameron	623	1,001	-37.8%
Hidalgo	2,339	3,397	-31.1%

County	Valuation (in thousands of dollars)		Change
	Q1 '08	Q1 '07	
Cameron	\$29,313	\$51,202	-42.8%
Hidalgo	\$113,660	\$227,900	-50.1%
	YTD '08*	YTD '07*	
Cameron	\$62,898	\$97,544	-35.5%
Hidalgo	\$199,346	\$414,503	-51.9%

Source: U.S. Census Bureau, Construction Statistics

* Year-to-date data include any late reports or corrections from prior months. Summing the published monthly data will not generate the same estimate that is published for year-to-date.

Home Sales

MLS Area	Sales		Change
	Q2 '08	Q2 '07	
Brownsville	247	296	-16.6%
Harlingen	356	334	6.6%
McAllen	571	600	-4.8%

MLS Area	Dollar Volume In Thousands of Dollars		Change
	Q2 '08	Q2 '07	
Brownsville	\$32,790	\$48,920	-33.0%
Harlingen	\$39,900	\$35,330	12.9%
McAllen	\$72,145	\$76,895	-6.2%

Source: Real Estate Center at Texas A&M University

The next issue of *Border Business Briefs* will report on the findings of the Winter Texan Market Survey, Winter 2008 (Valley Markets and Tourism Research Center).

TRANSPORTATION

Airports – Passenger Statistics*

	Q2 '08	Q2 '07	Change
Brownsville	45,623	47,229	-3.4%
Harlingen	230,397	230,609	-0.1%
McAllen	192,721	217,860	-11.5%
Laredo	51,902	57,896	-10.4%
El Paso	881,329	899,452	-2.0%

*Passenger statistics includes both enplaned and deplaned values.
Source: Respective Airports

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q2 '08	Q2 '07	Change
Trucks			
Rio Grande Valley*	195,280	186,587	4.7%
El Paso**	87,714	85,715	2.3%
Laredo	418,434	397,816	5.2%
Rail			
Rio Grande Valley*	14,318	11,987	19.4%
El Paso	-	-	
Laredo	55,174	58,114	-5.1%
Vehicles			
Rio Grande Valley*	2,995,457	3,141,050	-4.6%
El Paso**	1,085,227	1,095,224	-0.9%
Laredo	1,336,526	1,450,336	-7.8%
Pedestrians			
Rio Grande Valley*	1,033,490	1,193,840	-13.4%
El Paso**	1,210,595	1,428,446	-15.3%
Laredo	1,055,387	962,495	9.7%

Northbound Traffic

	Q2 '08	Q2 '07	Change
Trucks			
Rio Grande Valley*	201,296	195,410	3.0%
El Paso	204,794	203,155	0.8%
Laredo	410,048	399,758	2.6%
Rail			
Rio Grande Valley*	1,816	1,784	1.8%
El Paso	19,804	34,946	-43.3%
Laredo	45,790	45,843	-0.1%
Vehicles			
Rio Grande Valley*	3,570,519	3,586,351	-0.4%
El Paso	3,295,388	3,527,139	-6.6%
Laredo	1,492,817	1,372,267	8.8%
Pedestrians			
Rio Grande Valley*	1,368,141	1,553,548	-11.9%
El Paso	1,803,350	2,041,731	-11.7%
Laredo	745,873	1,117,475	-33.3%

*Rio Grande Valley includes land ports of entry in Cameron and Hidalgo counties.

**El Paso has four international bridges. However, southbound data is collected for only two bridges since *Paso del Norte* is strictly northbound and Bridge of the Americas is a toll-free bridge. Thus, no official count for southbound traffic is available for Bridge of the Americas.

Source: U.S. Customs and Border Protection for northbound traffic; bridge operators for southbound traffic

EXPORT/IMPORT ACTIVITY

Despite a marginal decline in import volume, overall trade activity through the ports of Cameron and Hidalgo counties increased by four percent in the second quarter of 2008 relative to the same quarter in 2007. Exports to Mexico through the two counties' ports rose by 9.8 percent com

pared to 7.2 percent through all Texas ports. Imports from Mexico decreased by 0.4 percent through the two counties versus a 2.9 percent increase at the state level. Overall, the ports of Cameron and Hidalgo counties account for around 17 percent of Texas trade activity with Mexico.

Total U.S. Export Trade Activity Through Cameron and Hidalgo County Ports*

	In Millions of Dollars				
	Q2 '08	% of TX Export Trade Activity	Q2 '07	% of TX Export Trade Activity	Change
Brownsville	2,155	8.6%	2,040	8.8%	5.6%
Hidalgo	2,475	9.9%	2,219	9.5%	11.5%
Progreso	100	0.4%	47	0.2%	112.9%
Two County Total	4,729	19.0%	4,306	18.5%	9.8%
Texas Total	24,956		23,286		7.2%

Total U.S. Import Trade Activity Through Cameron and Hidalgo County Ports*

	In Millions of Dollars				
	Q2 '08	% of TX Import Trade Activity	Q2 '07	% of TX Import Trade Activity	Change
Brownsville	1,536	4.6%	1,656	5.2%	-7.3%
Hidalgo	3,636	11.0%	3,539	11.0%	2.7%
Progreso	17	0.1%	14	0.0%	22.3%
Two County Total	5,189	15.7%	5,210	16.2%	-0.4%
Texas Total	33,091		32,160		2.9%

*Total export (import) trade activity through the Texas-Mexico border has two components: exports to (imports from) Mexico and exports whose final destination (country of origin) is a country other than Mexico (transshipment). The total export (import) trade activity figure, however, can be used interchangeably with exports to (imports from) Mexico, since the latter figure constitutes more than 95 percent of the total.

**Totals may not add up due to rounding.

Source: Texas Centers for Border Economic and Enterprise Development, Texas A&M International University, The University of Texas-Pan American and The University of Texas-EI Paso

Hotels

	Cameron County			Hidalgo County		
	Q2 '08	Q2 '07	Change	Q2 '08	Q2 '07	Change
Revenues (\$000)	\$35,481	\$37,051	-4.2%	\$23,497	\$23,867	-1.6%
Room nights available (000)	758.9	735.5	3.2%	602.1	600.0	0.4%
Occupancy Rate (%)	52.9	56.8	-6.9%	54.8	55.8	-1.8%

Source: Texas Tourism



Border Business Briefs

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FEATURED CENTER

SOUTH TEXAS BORDER HEALTH DISPARITIES CENTER

The South Texas Border Health Disparities Center at The University of Texas-Pan American is dedicated to the advancement of knowledge on health disparities by enhancing the institutional capacity to conduct health disparities research addressing issues particular to the largely Hispanic population along the U.S.-Mexico border. The Center focuses on the development of the three following areas:

- Research infrastructure
- Research
- Public information and community outreach

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